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09/238,995	01/28/1999	JOSEPH C. KAWAN	CITI0122-US	5611

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EXAMINER

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PAPER

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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6

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8 *Ex parte* JOSEPH C. KAWAN
9

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11 Appeal 2009-005582
12 Application 09/238,995
13 Technology Center 3600
14

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16 Decided: March 25, 2010
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19 Before MURRIEL E. CRAWFORD, ANTON W. FETTING, and BIBHU R.
20 MOHANTY, *Administrative Patent Judges*.
21 FETTING, *Administrative Patent Judge*.

22 DECISION ON APPEAL
23

1 STATEMENT OF THE CASE

2 Joseph C. Kawan (Appellant) seeks review under 35 U.S.C. § 134
3 (2002) of a final rejection of claims 1-5, 8, 10-17, 22, 27, 33, 39, 42-50, 55-
4 58, 63-66, 69-74, and 79-81, the only claims pending in the application on
5 appeal.

6 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b)
7 (2002).

8 SUMMARY OF DECISION¹

9 We AFFIRM.

10 THE INVENTION

11 The Appellant invented a method and system of smart card banking
12 using a contactless interface between the smart card and a financial
13 institution banking system (Specification 1:9-12).

14 An understanding of the invention can be derived from a reading of
15 exemplary claim 1, which is reproduced below [bracketed matter and some
16 paragraphing added].

17 1. A method of contactless interfacing for a financial
18 transaction smart card, comprising:

¹ Our decision will make reference to the Appellant's Appeal Brief ("App. Br.," filed April 24, 2008) and the Examiner's Answer ("Ans.," mailed August 11, 2008), and Final Rejection ("Final Rej.," mailed October 31, 2007).

- [1] allowing a user to establish a physical contact bi-directional communication interface between a financial transaction smart card and a hand-held computing device for accessing a financial transaction smart card application on a microcomputer of the financial transaction smart card;
- [2] allowing the user to enter identifying information and transaction information on the hand-held computing device;
- [3] allowing the user to initiate a contactless bi-directional communication interface via the hand-held computing device as a conduit between the financial transaction smart card application on the microcomputer of the financial transaction smart card and a self-service transaction terminal of an on-line system of a financial institution;
- [4] verifying the financial transaction smart card by the on-line system based at least in part on the identifying information received by the on-line system via the contactless communication interface between the hand-held computing device and the self-service transaction terminal; and
- [5] communicating the transaction information entered by the user on the hand-held computing device to the self-service transaction terminal of the on-line system via the contactless communication interface.

THE REJECTIONS

The Examiner relies upon the following prior art:

Gutman	US 5,221,838	Jun. 22, 1993
Coutts	US 5,563,393	Oct. 8, 1996
Daggar	US 5,748,737	May 5, 1998

Claims 1-5, 8, 10-17, 22, 27, 33, 39, 42-45, 47-50, 55-58, 63-66, 69-74, and 79-81 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Gutman, Daggar, and Coutts.

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ISSUES

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FACTS PERTINENT TO THE ISSUES

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The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

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Facts Related to the Prior Art

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Gutman

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01. Gutman is directed to communication devices capable of storing and updating financial information and balance information (Gutman 1:8-15).

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02. Gutman describes an electronic wallet comprising a selective call receiver, which receives a wireless message from a central financial computer (Gutman 4:35-43). The electronic wallet can further include a bar code reading device, a printer, and a magnetic card reader/writer (Gutman 4:1-6, 25-28, 44-48). The receiver receives an information signal and submits it to a

1 controller for interpretation (Gutman 5:46-54). The controller
2 may update financial information based on the wireless message,
3 thereby allowing the electronic wallet to maintain financial
4 information that may include a balance summary of transaction
5 activities for an account at a financial institution (Gutman 7:44-
6 53).

7 *Coutts*

8 03. Coutts is directed to a business system capable of two-way
9 communication between an interface device and an automated
10 teller machine (ATM) terminal in a contactless manner (Coutts
11 1:37-42).

12 04. Coutts describes the system uses a radio-frequency (RF)
13 communication technique to enable communication between an
14 interface device and an ATM (Coutts 2:43-48).

15 *Daggar*

16 05. Daggar is directed to portable communication devices, such as
17 an electronic wallet, that include a multimedia transaction card
18 (Daggar 1:5-9 and 1:14-22).

19 06. Daggar describes the use of electronic wallets and generic
20 multimedia cards that allow virtually all traditional wallet items to
21 be recreated in the form of electronically stored digital cards
22 (Daggar 8:35-43). The electronic wallet provides digital
23 card/generic multimedia card integrity, smart card authentication,
24 card sensing, and further media interfaces via a generic attachment
25 card and various media interfaces (Daggar 8:56-60). The smart

1 card reader/writer is an interactive medium that can have a non-
2 contact interface (Daggar 11:59-67). The role of the electronic
3 wallet can be reduced to and limited to data storage and
4 processing protection (Daggar 11:7-16).

5 *Facts Related To The Level Of Skill In The Art*

6 07. Neither the Examiner nor the Appellant has addressed the level
7 of ordinary skill in the pertinent arts of smart cards, electronic
8 wallets, and electronic financial systems. We will therefore
9 consider the cited prior art as representative of the level of
10 ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350,
11 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the
12 level of skill in the art does not give rise to reversible error ‘where
13 the prior art itself reflects an appropriate level and a need for
14 testimony is not shown’”) (quoting *Litton Indus. Prods., Inc. v.*
15 *Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).

16 *Facts Related To Secondary Considerations*

17 08. There is no evidence on record of secondary considerations of
18 non-obviousness for our consideration.

19 PRINCIPLES OF LAW

20 *Obviousness*

21 A claimed invention is unpatentable if the differences between it and
22 the prior art are “such that the subject matter as a whole would have been
23 obvious at the time the invention was made to a person having ordinary skill

1 in the art.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007); *Graham*
2 *v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

3 In *Graham*, the Court held that that the obviousness analysis is
4 bottomed on several basic factual inquiries: “[(1)] the scope and content of
5 the prior art are to be determined; [(2)] differences between the prior art and
6 the claims at issue are to be ascertained; and [(3)] the level of ordinary skill
7 in the pertinent art resolved.” *Graham*, 383 U.S. at 17. *See also KSR*, 550
8 U.S. at 406. “The combination of familiar elements according to known
9 methods is likely to be obvious when it does no more than yield predictable
10 results.” *Id.* at 416.

11 ANALYSIS

12 *Claims 1-5, 8, 10-17, 22, 27, 33, 39, 42-45, 47-50, 55-58, 63-66, 69-74,*
13 *and 79-81 stand rejected under 35 U.S.C. § 103(a) as unpatentable over*
14 *Gutman, Daggar, and Coutts.*

15 The Appellant contends that (1) Gutman fails to describe a financial
16 smart card capable of bi-directional communication and the remainder of
17 limitation [3] of claim 1 (App. Br. 4-5) and that (2) Daggar and Coutts fail to
18 remedy the deficiencies of Gutman (App. Br. 5-7).

19 We disagree with the Appellant. Limitation [3] requires allowing a user
20 to communicate from a smart card to a self-service terminal using a
21 contactless bi-directional interface of a hand-held computing device.
22 Gutman describes a system with an electronic wallet that includes a card
23 reader, printer, and bar code reader (FF 02). Gutman further describes that
24 the electronic wallet initiates a wireless message to a financial institution

1 where the message relates to account transaction information and balance
2 information (FF 02).

3 The Examiner acknowledges that Gutman fails to describe the use of a
4 smart card, a self-service terminal, and the use of the electronic wallet as a
5 conduit between the smart card and self-service terminal (Ans. 4-5). The
6 Examiner cites Daggar to describe the use of a smart card (FF 06). Daggar
7 further describes limiting the role of the electronic wallet to data storage and
8 processing protection (FF 06). Limiting the role of a wallet as a processor or
9 data storage renders the wallet as a general purpose interface device between
10 the smart card and an another device. That is, Daggar describes the ability
11 to limit the role of the electronic wallet to be a mere conduit between a smart
12 card and another device. The Examiner further cites Coutts to describe a
13 wireless interface between a wireless device and an automated teller
14 machine (ATM) (FF 04). An ATM is a self-service terminal of a financial
15 institution. As such, the combination of Gutman, Daggar, and Coutts
16 describe all of the features of limitation [3].

17 The Appellant's argument that Gutman, Daggar, and Coutts individually
18 fail to describe this limitation is not found persuasive because the Appellant
19 is responding to the rejection by attacking the references separately, even
20 though the rejection is based on the combined teachings of the references.
21 Non-obviousness cannot be established by attacking the references
22 individually when the rejection is predicated upon a combination of prior art
23 disclosures. *See In re Merck & Co. Inc.*, 800 F.2d 1091, 1097, (Fed. Cir.
24 1986). Although the Appellant argues that the Appellant has shown that the
25 references do not describe the limitations of claims 1 and 63 (App. Br. 7),

1 we find that the references do describe the limitations of claims 1 and 63 for
2 the reasons discussed *supra*.

3 The Appellant additionally contends that (3) there is no reason to
4 combine the cited references and the Examiner's reasoning was conclusory
5 (App. Br. 8). We disagree with the Appellant.

6 Gutman is concerned with a communication device and communicating
7 with financial institutions (FF 01). Gutman accomplishes this by describing
8 a wireless electronic wallet that uses information on a financial card to
9 communicate with a financial institution (FF 02).

10 Daggar is also concerned with communication devices and
11 communicating financial information (FF 05). Daggar solves this concern
12 by describing an electronic wallet that uses smart cards to manage the
13 transmitted information (FF 06).

14 Coutts is also concerned with contactless communication between a
15 communication device and a financial institution (FF 03). Coutts
16 accomplishes this by describing a device that wirelessly communicates
17 with an automated teller machine (ATM) of a financial institution (FF 04).

18 Gutman, Daggar, and Coutts are all concerned with the wireless or
19 contactless communication with a financial institution. A person with
20 ordinary skill in the art would have recognize the benefits, including
21 increasing the flexibility and capabilities of the wireless communication
22 devices, of combining the smart card features from Daggar and the ATM
23 features of Coutts to the contactless communication system of Gutman. As
24 such, a person with ordinary skill in the art would have been lead to combine
25 Gutman, Daggar, and Coutts in order to realize these benefits.

CONCLUSIONS OF LAW

The Examiner did not err in rejecting claims 1-5, 8, 10-17, 22, 27, 33, 39, 42-45, 47-50, 55-58, 63-66, 69-74, and 79-81 under 35 U.S.C. § 103(a) as unpatentable over Gutman, Daggar, and Coutts.

DECISION

To summarize, our decision is as follows.

- The rejection of claims 1-5, 8, 10-17, 22, 27, 33, 39, 42-45, 47-50, 55-58, 63-66, 69-74, and 79-81 under 35 U.S.C. § 103(a) as unpatentable over Gutman, Daggar, and Coutts is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

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